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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Application Number: 10/743,724
Filing Date: December 24, 2003
Appellant(s): CROSSETT ET AL.

John B. Gillick Jr.
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 10/13/2010 appealing from the Office action

mailed 3/16/2010.

(1) Real Party in Interest

The examiner has no comment on the statement, or lack of statement, identifying by name the real party in interest in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The following is a list of claims that are rejected and pending in the application: Claims 1-16.

(4) Status of Amendments After Final

The examiner has no comment on the appellant's statement of the status of amendments after final rejection contained in the brief.

(5) Summary of Claimed Subject Matter

The examiner has no comment on the summary of claimed subject matter contained in the brief.

(6) Grounds of Rejection to be Reviewed on Appeal

The examiner has no comment on the appellant's statement of the grounds of rejection to be reviewed on appeal. Every ground of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory actions) is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

(7) Claims Appendix

The examiner has no comment on the copy of the appealed claims contained in the Appendix to the appellant's brief.

(8) Evidence Relied Upon

http://www.sap.com/industries/oil-gas/pdf/50051566s.pdf ("white paper")

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Following is the rejection copied in-part from the Final Office Action mailed 3/16/2010.

Claim Rejections - 35 USC § 102

1.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2.   Claims 1-16 are rejected under 35 U.S.C. 102(b) as being anticipated by

http://www.sap.com/industries/oil-gas/pdf/50051566s.pdf, herein **"SAP JVA"**.

3.   Referring to Claims 1 and 8, directed to an automated method of adjusting pre-

existing accounting records, **SAP JVA** teaches:

- maintaining an electronic database of accounting records associated with a first

  equity state on a computer system (pg. 8- 'Data Capture and Real-Time

  Processing');

- receiving input at the computer system selecting a time period for which

  adjustments to accounting records of a joint venture are to be applied, where the

  time period includes time between a present time and a time of an inception of

  the venture (pg. 11, sec. 5.5 - 'Equity Adjustment', ¶1);

- receiving input at the computer system selecting one or more types of accounting

  records to which the adjustments are to be applied, where one type of the

accounting records includes accounting records that call for a capital contribution (pg. 9, sec. 5.1- 'Cash Call');

- receiving input at the computer system defining a second equity state (pg. 11, sec. 5.5 – Equity Adjustment, ¶1 –'ownership changes');

- subsequent to receiving input, searching the electronic database for all accounting records matching the one or more types that have a creation date that falls within the selected time period (pg. 11, sec. 5.5 – Equity Adjustment, ¶1 –'current period and prior period');

- for each accounting record identified by the search, applying adjustments defined by the second equity state, including:

  - creating new reversing data records to be added to the existing data records and to be associated with a respective existing data record , which when applied to the respective existing data record, negates the effect of the respective existing data record, and retaining the existing data records such that both the existing records and new reversing data records are stored concurrently based on the input received (pg. 11, sec. 5.5 – Equity Adjustment, ¶2 –'reverses postings…remain unaffected ,thereby preserving the audit trail');

  - creating new updated data records corresponding to records associated with the reversing data records, and based on a new equity share assignment defined by the second equity state, storing an indication of the second equity state with each new updated data record, associating each

new updated data record with a corresponding reversing data record, and

adding the new updated data records to the existing data records (pg. 11,

sec. 5.5 – Equity Adjustment, ¶3 –'make retroactive changes');

4.   Referring to Claims 2 and 9, **SAP JVA** teaches the claims dependencies and

further teaches wherein a sum for a set of existing data records is equal and reciprocal

to a sum for a set of associated reversing data records; and

- a the sum for a set of existing data records of the first equity share assignment is
  equal to a sum for the new data records that are based on the new equity share
  assignment and of a different allocation (pg. 14, sec. 5.13 – 'Balanced Books by
  Venture').

5.   Referring to Claims 3 and 10, **SAP JVA** teaches the claims dependencies and

further teaches, if there is an inter- company partner associated with the joint venture:

[(v)] creating, in an inter-company ledger of the joint venture, accounting records

corresponding to the accounting records with amounts in proportions according to the

previous equity share assignment;

[(vi)] creating, in the inter-company ledger of the joint venture, accounting records

corresponding to the accounting records [created in (ii)] with amounts in proportions

according to the new equity share assignment (pg.13, sec. 5.12-'Inter-company

Functions').

6.   Referring to Claims 4 and 11, **SAP JVA** teaches the claims dependencies and

further teaches based on input received in [(b)]:

[(vii)] creating reversing cash call accounting records to reverse existing cash call

accounting records made to partner accounts in a ledger of the joint venture according

to a previous equity share assignment;

[(viii)] creating cash call accounting records corresponding to the existing records

reversed by [(vii)] in the partner accounts of the joint venture ledger for the new equity

share assignment, but recording amounts in the same proportions as in the previous

equity share assignment (pg. 11, sec. 5.5-'Equity Adjustment- Equity group partners

can transfer their interest to other partners')

7.   Referring to Claims 5 and 12, **SAP JVA** teaches the claims dependencies and

further teaches:

[(ix)] performing a correction process to create accounting records indicating, in the

partner accounts of the joint venture ledger for the new equity share assignment, a

difference corresponding to cash calls between the previous equity share assignment

the new equity share assignment (pg. 11, sec. 5.5-'Equity Adjustment- retroactive

changes').

8.   Referring to Claims 6 and 13, **SAP JVA** teaches the claims dependencies and

further teaches:

[(x)] performing a correction process to create accounting records indicating, in an inter-

company ledger of the joint venture for the new equity share assignment, a difference

corresponding to cash calls between the previous equity share assignment the new

equity share assignment (pg. 13, sec. 5.12-'Inter-company Functions- processing of

inter-company joint venture transactions')

9.   Referring to Claims 7 and 14, **SAP JVA** teaches the claims dependencies and

further teaches:

(xi) performing a correction process comprising creating reversing accounting records to

reverse the accounting records created in the inter-company ledger in [(vi)] ((pg. 11,

sec. 5.5-'Equity Adjustment- Equity group partners can transfer their interest to other

partners'; and pg. 13, sec. 5.12-'Inter-company Functions- processing of inter-company

joint venture transactions')

10.   Referring to Claims 15 and 16, directed to an automated method running on a

computer system, **SAP JVA** teaches:

- receiving input selecting a prior time period for which adjustments to existing

    accounting records of the prior time period of a joint venture are to be applied,

    where the prior time period includes a first equity share assignment (pg. 11, sec.

    5.5-'Equity Adjustment");

- receiving input selecting one or more types of accounting records to which the

    adjustments are to be applied , wherein one type of accounting record includes a

demand for a new capital contribution, according to a share allocation (pg. 9,

sec. 5.1-'Cash Call');

- searching a database for accounting records that have a creation date that falls

   within the selected time period (pg. 11, sec. 5.5 – Equity Adjustment, ¶1 –'current

   period and prior period'); for each accounting record identified by the search,

   creating, based on the first equity share assignment, new reversing data records

   to be added to the existing accounting records which include reciprocal values to

   effectively cancel-out corresponding existing accounting records (pg. 11, sec. 5.5

   – Equity Adjustment, ¶2 –'reverses postings...remain unaffected ,thereby

   preserving the audit trail');

- for each accounting record identified by the search, creating new data records

   corresponding to the existing accounting records associated with the new

   reversing data records, wherein the new data records are based on a new equity

   share assignment (pg. 11, sec. 5.5-'Equity Adjustment- retroactive changes').

(10) Response to Argument

<u>**Rejection of claims 1 to 16 under 35 U.S.C. § 102(b)**</u>

Appellant states in Arguments, filed 10/13/2010 with the Appeals Brief that "The

present application, which came from and is assigned to the same source as the white

paper, is an improvement of the system described in the white paper. As such, the white

paper does not disclose all of the features of the present claims, as the software

package described in the white paper, does not provide all of the functions of the present claims."   By way of example, Appellant recites claim 1 feature "selecting one or more types of accounting records to which the adjustments are to be applied, where one type of the accounting records includes accounting records that call for a capital contribution."

Appellant further states "Page 9, section 5.1 "cash call" is cited from the white paper as an example of a record to which adjustments are to be applied. This section describes the cash call function of the Joint Venture Accounting (JVA). That is, an operating partner, using the JVA software "can invoice all partners or individual partners for future expenditure." *Id.* Nothing in this section indicates that these cash calls may be selected for a record adjustment. Section 5.5 "Equity Adjustment" generally describes a change in equity distributions of expenditures, including retroactive adjustments. However, a capital contribution (e.g., cash call) is not an expenditure. As stated in this section "equity change management is designed to make retroactive changes at the accounts receivable level for prior period ownership adjustments." White paper, at page 11, section 5.5 (emphasis added). As indicated, the equity adjustment of the white paper was limited to billing records, and does not apply to non-billable records and cash calls.

In response to this argument, and in the absence of any claim language de-limiting the cash call adjustment to accounts receivable, (which the appellant regards in their argument as relating to an 'expenditure' or 'billable record'), examiner draws attention to the passage of the specification relied upon for claim interpretation as the portion of the document dedicated to "cash call" wherein a "cash call' adjustment is

recited to be a "corrective accounting record… created in the partners accounts receivable accounts" (Specifications, Page 11, Lines 24-31).

Appellant goes on to argue "Further, the white paper does not disclose the feature of "creating new reversing data records to be added to the existing data records and to be associated with a respective existing data record, which when applied to the respective existing data record, negates the effect of the respective existing data record, and retaining the existing data records such that both the existing records and new reversing data records are stored concurrently." As indicated, the white paper "process reverses postings to the original venture or equity group, and books them to the active venture or equity group combination at month end. These adjustments are made only in the JVA ledgers. The original entries in the originating SAP R/3 components remain unaffected, thereby preserving the audit trail." *Id.* This is very different from constructing reversing records and storing them concurrently with the new records." Examiner respectively disagrees. The process of 'reverse posting' or JVA ledger 'adjustment' as recited in the white paper, teaches the *actual* "reversing data records"; and the negates the effect of the existing data record is taught in this record reflecting 'ownership changes; which is effectively teaches the claim limitation "applying adjustments defined by the second equity state". Regarding the concurrent storage of reversing records with new records, examiner maintains the teaching of the 'original entries in the originating SAP R/3 components remain unaffected, thereby preserving the audit trail'; as 'concurrent storage' does not exclude concurrent data sets; and for account clarity (e.g.

auditing functions), the feature of distinctive, yet concurrent and relating data would be necessary.

Regarding comments that the immediate invention is distinct from the white paper as the white paper is limited to "billable records", Examiner again respectfully points out that the recited claims, are in fact, not de-limiting to adjustment of equity records of expenditures or billable transaction.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/DANA AMSDELL/

Examiner, Art Unit 3627

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